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COMMITTEE MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
1001 I STREET
2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

THURSDAY, OCTOBER 12, 2006
10:00 A.M.

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chair

Ms. Rosalie Mul

Mr. Gary Petersen

BOARD MEMBER ALSO PRESENT

Mr. Jeffrey Danzinger

Ms. Patricia Wiggins

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Mr. Elliot Block, Staff Counsel

Mr. Mitch Delmage, Manager, Tire Management Branch

Ms. Kristen Garner, Executive Assistant

Mr. Nate Gauff, Staff

Mr. Jim Lee, Deputy Director

Mr. Tom Micka, Staff

Ms. Diane Nordstrom, Staff

Mr. Terry Smith, Staff

Ms. Elena Yates, Staff

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APPEARANCES CONTINUED

ALSO PRESENT

Mr. Michael Blumenthal, Rubber Manufacturers Association

Ms. Beverly McCullough, City of Modesto

Ms. Lindsay Smith, Rubber Sidewalks, Inc.

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1 PROCEEDINGS

2 CHAIRPERSON BROWN: Good morning. My apologies
3 for keeping you all waiting. Thank you very much. I want
4 to welcome you to the October 12th meeting of the Special
5 Waste Committee.

6 There are agendas in the back of the room and
7 speaker slips. If anybody would like to speak to an item,
8 please fill out the slip and bring it to Kristen and you
9 will have an opportunity to address the Committee on the
10 item of your choosing.

11 I'd like to request that people turn their cell
12 phones or pagers off or into the vibrate mode at this
13 time.

14 And Kristen, can you call the roll?

15 COMMITTEE SECRETARY GARNER: Mulé?

16 COMMITTEE MEMBER MULÉ: Here.

17 COMMITTEE SECRETARY GARNER: Petersen?

18 Brown?

19 CHAIRPERSON BROWN: Here.

20 And Member Petersen had a commitment that could
21 not be avoided this morning, so he'll not be able to join
22 us.

23 But I would like to welcome Board Members Pat
24 Wiggins and Cheryl Peace. Thank you for joining us this
25 morning.

1 Members, do we have any ex partes to report?

2 COMMITTEE MEMBER MULÉ: I'm up to date, Madam
3 Chair.

4 CHAIRPERSON BROWN: I actually need to report
5 with Randy Roth from Lakin Tires and Terry Levielle on an
6 item before us this morning.

7 Mr. Lee, your Deputy Director's report.

8 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

9 Good morning. My name is Jim Lee, Deputy Director of the
10 Special Waste Division. I have a couple of items to
11 report on my Deputy Director's report this morning.

12 The first off is just a reminder that the second
13 meeting with stakeholders and the interested parties for
14 the Five-Year Tire Plan revision will be held in Diamond
15 Bar on October 24th. Staff will again be describing the
16 elements of the current plan and soliciting input on those
17 things that need to be revised, enhanced, changed, or
18 eliminated. Staff's objective as always is to look to
19 continue to improve waste tire diversion and recycling in
20 the most cost effective and efficient ways possible.

21 The meeting at Diamond Bar will be followed by
22 meetings in January and March held under the osmosis of
23 the Special Waste Committee to consider a draft revised
24 plan reflecting consideration of input received to date.
25 The final plan is currently scheduled for presentation to

1 the Board for approval for adoption in May of next year.

2 On another subject, I want to take a few minutes
3 to talk about an analysis of results obtained from a
4 survey of local jurisdiction stakeholders requesting their
5 feedback on the Used Oil Program white paper. A total of
6 64 responses out of 248 grantees were received,
7 approximately 26 percent response rate. In general, the
8 results of the survey were not unexpected but are
9 nonetheless informative.

10 Grantees acknowledged to some degree the
11 challenges facing the program. However, they were for the
12 most part not supportive of any radical changes in the
13 program and were comfortable with the status quo. On the
14 other hand, local jurisdictions support can be inferred
15 for some of the alternatives or initiatives for addressing
16 program challenges that staff is currently investigating
17 which do not directly effect the local jurisdiction's
18 bottom line.

19 Among these alternatives are product stewardship
20 ideas such as manufacturers, in this case oil refiner,
21 take back of used oil for pre-treatment and blending with
22 virgin stock, and market development initiatives, such as
23 a requirement for a minimum re-refined content in
24 lubricating oil.

25 And that is when I ask to see if the Committee

1 members had any specific questions about the survey that
2 my staff and I are prepared to address this morning.

3 CHAIRPERSON BROWN: I don't. Does anybody have
4 any questions? Not at this time.

5 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

6 With your permission, Madam Chair, I'll proceed
7 with today's agenda.

8 Committee Item B, Board Item 17, is Discussion
9 and Request for Rulemaking Direction on Noticing Revisions
10 to the Proposed Regulations for Household Hazardous Waste
11 Forms CIWMB 303a and 303b for an Additional Comment Period
12 or Consideration of Adoption of the Proposed Regulations
13 for Household Hazardous Waste Forms CIWMB 303a and 303b.

14 Form 303 is used to collect information on the
15 amount of household hazardous waste collected and managed
16 in California. The form itself is included in the
17 regulations, necessitating a new rulemaking to accomplish
18 modifications to the form. Modifications are being sought
19 at this time for among other things to accommodate the
20 need for more precise accounting for new waste streams
21 such as universal waste. This item was brought before the
22 Special Waste Committee last month. The comments from the
23 public during the public comment proceeding at the
24 Committee meeting prompted staff to request the Board to
25 consider some minor additional amendments and an

1 additional comment period. This additional period is now
2 closed without further public input.

3 I'd now like to have Tom Micka give the remainder
4 of the staff presentation and respond to any specific
5 questions you may have.

6 CHAIRPERSON BROWN: Thank you. Welcome, Tom.

7 MR. MICKA: Good morning, Madam Chair and members
8 of the Committee. My name is Tom Micka.

9 Last month, staff updated this Committee on
10 comments received during the rulemaking process to revise
11 household hazardous waste Form 303. The Committee
12 directed staff to go out for another 15-day comment period
13 based on comments received during the first 15-day comment
14 period and changes suggested by Committee members. Staff
15 received no comments during the latest comment period that
16 ran from September 15th through October 3rd.

17 Copies of the proposed regulations that were
18 circulated during the second 15-day comment period are on
19 the back table.

20 Staff believes that this regulatory package will
21 not have a significant effect on the environment and that
22 this package qualifies for a Class 6 categorical exemption
23 under the California Environmental Quality Act. Class 6
24 includes basic data collection which does not result in a
25 serious or major disturbance to an environmental resource.

1 At the Board's direction, staff will file a Notice of
2 Exemption with the Governor's Office of Planning and
3 Research.

4 Staff now requests that the Committee recommend
5 to the Board adoption of Resolution 2006-165, adopting the
6 proposed regulations with no change and making a finding
7 that the proposed changes qualify for a categorical
8 exemption under the California Environmental Quality Act.
9 This is Option Number 1 in the agenda item.

10 This concludes staff's presentation.

11 CHAIRPERSON BROWN: Thank you, Tom.

12 Do any Committee members have any questions?

13 COMMITTEE MEMBER MULÉ: No.

14 CHAIRPERSON BROWN: I do not.

15 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
16 move Resolution 2006-165.

17 CHAIRPERSON BROWN: How do -- can I second? I
18 second the motion. It's been moved by Member Mulé and
19 seconded by Member Brown.

20 Kristen, can you call the roll?

21 COMMITTEE SECRETARY GARNER: Mulé?

22 COMMITTEE MEMBER MULÉ: Aye.

23 COMMITTEE SECRETARY GARNER: Brown?

24 CHAIRPERSON BROWN: Aye.

25 Can we put that on consent? Okay. Next item.

1 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

2 Committee Item C, Board Item 18, is Consideration
3 of Renewal and Issuance of a Major Waste Tire Facility
4 Permit for Lakin Tire West, Incorporated, Los Angeles
5 County. I'll now ask Terry Smith of staff to make the
6 presentation for this item.

7 (Thereupon an overhead presentation was
8 presented as follows.)

9 MR. SMITH: Good morning. I'm Terry Smith with
10 the Special Waste Division's Waste Tire Management Branch.
11 And today we'll go through a couple of things that I hope
12 you'll find interesting and present the information that
13 we've got after reviewing the application.

14 --o0o--

15 MR. SMITH: Of course, permit renewal happens
16 every five years. A permit will expire, waste tire
17 facility permit, so we have to renew them.

18 --o0o--

19 MR. SMITH: According to regulations, they run
20 out in five years. So we have the applicant submit an
21 application prior to the time that the permit expires.
22 And in this case, Lakin's permit was due to expire the
23 24th of this month.

24 --o0o--

25 MR. SMITH: The application process is basically

1 the same as if somebody turned in a new application. They
2 have to turn in all the forms again and update anything
3 that needs to be updated, like the local fire and vector
4 control permits. And we go out and check them out, do a
5 pre-permit inspection. And once we're satisfied, once
6 staff is satisfied with all the information that we
7 receive, then we bring it to the Board for their approval.

8 The major waste tire facility permit renewals are
9 the only ones that are brought to the Board. The minors
10 have been delegated to the Director. So we handle those
11 down at the staff level.

12 --o0o--

13 MR. SMITH: A little bit about Lakin Tire West,
14 Incorporated.

15 --o0o--

16 MR. SMITH: They're a registered hauler,
17 generator, and a permitted end use facility. And they've
18 been around for a long time. As a matter of fact, when we
19 first started regulating tires, we went to them to
20 understand the industry and talk to them about how it
21 worked. They've helped us through reg processes and
22 legislative proposals. And they've been a good partner
23 with us.

24 They're also the largest tire processor in the
25 state. They process about twelve million tires annually

1 through their facility, which is quite a few tires. If
2 you look, I think the total number is about 40 million
3 tires a year. So a little less than a third of the tires.

4 --o0o--

5 MR. SMITH: And this is where they process the
6 tires at. We wouldn't know by looking at this place that
7 they're processing about 33,000 tires a day there. From
8 the street, this looked like, you know, it could be a
9 flower shop if they changed the name or something.

10 --o0o--

11 MR. SMITH: But inside the facility, there's a
12 lot of stuff going on. As you see here with the bright
13 lights, those are the bay doors where the trucks are
14 backed up there. And what's interesting about this
15 facility is it's the efficiency that allows them to
16 process that many tires a day.

17 The tires are not stored in this facility. Once
18 they're brought in, they're sorted and they're on their
19 way. This kind of reminds me of going to Magic Mountain
20 and looking at one of the rides, except the tires instead
21 of the people are taking the rides. Each tire sat at its
22 own destination. If it's a waste tire, it's hung on a
23 hook. It's headed for the shredder. It carousels around
24 through the facility and drops off in the shredder. If
25 it's a good used tire, they'll clean it up, paint it, put

1 a little sticker on there that maybe has a warrantee or
2 something and it's out to the Big Os or whoever happens to
3 be taking those tires.

4 --o0o--

5 MR. SMITH: They bought a lot of equipment. And
6 you see in our agenda item that we've partnered with them
7 on a few of the projects and helped them pay for the
8 shredders and some of the conveyer belts.

9 --o0o--

10 MR. SMITH: Here's one of the things that we
11 helped pay for. It's a dynamic vibrating conveyor system
12 which actually has tapered slots in it. And see the tires
13 on the left-hand side of the picture. Those are smaller
14 than two inch. And they're headed out to a truck trailer
15 where it dumps into the trailer. When the trailer is
16 full, then those two-inch chips can be taken to cogens or
17 there's one cement kiln that's burning them too, two inch
18 chip. And then the tires on the right that didn't fall
19 through the slots will be recirculated back to the
20 shredder until they fall through those holes.

21 --o0o--

22 MR. SMITH: Where do the tires go is important to
23 us at the Waste Board. And we've got a little -- you
24 know, come up with a little bit of a tire analogy here
25 where the stuff goes. You see 33 percent of it, the tires

1 that come in, still go to disposal. But 67 percent of the
2 tires are used -- are reused or they're used for
3 tire-derived fuel. The 30 percent you see are tires that
4 are resold, cleaned up and resold. And 8 percent is crumb
5 rubber.

6 --o0o--

7 MR. SMITH: Mr. Roth just told me that they've
8 recently partnered with CRM to start taking tires over
9 there. So I expect that 8 percent that we just looked at
10 for crumb to increase in the next year's analysis about
11 how many tires go to crumb. They've been working with BAS
12 for a long time taking tires over to them. By the way,
13 CRM and BAS both have a major waste tire facility permit.

14 --o0o--

15 MR. SMITH: They also take a lot of tires to
16 cement kilns. In this case you see the tires on the
17 conveyor are whole tires, so they won't have to process
18 these tires. They take them directly over to the cement
19 kiln to be used as fuel cement. And the steel in the
20 tires are part of the ingredient for cement that they
21 won't have to add later because they get the steel out of
22 the radial tires.

23 --o0o--

24 MR. SMITH: Most recently Lakin has been working
25 with our staff at the wall project in Riverside and

1 delivering TDA, or tire-derived aggregate. Here's one of
2 their truck trailers there with the walking floor truck
3 trailer and a close-up picture here of the product they're
4 bringing. Actually, I think it's a 700-foot wall, and
5 they're going to have over 150,000 tires there for that
6 one project that are going to be used.

7 --o0o--

8 MR. SMITH: Staff has reviewed this. And in
9 conclusion, we'd like to just point out that Lakin has
10 satisfied all the storage standards. They meet all the
11 standards, the financial assurance and operating liability
12 requirements. And actually, they're exempt from CEQA.
13 We're going to file a Notice of Exemption with the State
14 Clearinghouse if the permit is approved because it's an
15 existing facility with no change, no expansion.

16 --o0o--

17 MR. SMITH: So staff recommendation on this is
18 that you, the Board, adopt permit decision number 2006-187
19 and issue the renewed permit. That's permit number
20 19-TI-1077.

21 CHAIRPERSON BROWN: Thank you, Terry.

22 Does anybody have any questions?

23 Member Wiggins.

24 BOARD MEMBER WIGGINS: Could you explain how the
25 tires are used for fuel?

1 MR. SMITH: How many tires?

2 BOARD MEMBER WIGGINS: How the tires are used for
3 fuel.

4 MR. SMITH: They're using cogeneration plant for
5 electricity. They supplement that coal that's being used.

6 BOARD MEMBER WIGGINS: Got it.

7 MR. SMITH: They're also used at the cement kiln
8 as a supplemental fuel and coincidentally happen to have
9 steel in them. So they don't have to buy the steel that
10 they would normally have to buy to put in the cement.

11 CHAIRPERSON BROWN: Member Peace.

12 BOARD MEMBER PEACE: I just had a question in
13 general. You are saying that the major waste tire
14 facility permits expire every five years. Do you remember
15 why that was that they expire every five years? I don't
16 think like transfer stations or landfills expire. They
17 need reviews, but they don't expire. Do you have any idea
18 why this is that way?

19 MR. SMITH: No. But I do know that what they did
20 in solid waste was they had them renewed every five years.
21 When they went through the tire facilities -- I'm not sure
22 why they did that. I can't answer your question.

23 BOARD MEMBER PEACE: That's in statute or in
24 regs?

25 MR. SMITH: It's in regs.

1 BOARD MEMBER PEACE: I have no another question.
2 I know this is a very well run facility. I've been there.
3 And Randy Roth and Lakin have been a great partner with
4 the State.

5 CHAIRPERSON BROWN: Thank you.

6 Do you have any questions, Member Mulé?

7 COMMITTEE MEMBER MULÉ: No questions. I just
8 would like to concur with Board Member Peace's comments.
9 If you haven't been there, it really is quite a facility
10 to go see. And, Terry, you did a great job on the
11 presentation. Thank you very much.

12 CHAIRPERSON BROWN: In fact, just out of
13 curiosity, now that more tires are going to CRM and BAS,
14 are they coming out of the landfill out of disposal
15 category? I see Randy nodding his head. So 8 percent
16 will go up, and the disposal number will go down. Great.
17 Perfect. That's what we want to see.

18 MR. SMITH: As a matter of fact, I didn't mention
19 this, but Randy told me last month because of the projects
20 they were doing at the Chiquita Landfill and the Riverside
21 wall and also, you know, taking tires to Barry, they
22 didn't send any tires to the landfill.

23 CHAIRPERSON BROWN: That's fabulous news.
24 Continue on the great work you guys are doing. Thank you
25 very much.

1 I think we're ready for a motion.

2 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
3 move Resolution 2006-178.

4 CHAIRPERSON BROWN: And I will second that.

5 It's been moved by Member Mulé and seconded by
6 Member Brown.

7 Kristen, can you call the roll?

8 COMMITTEE SECRETARY GARNER: Mulé?

9 COMMITTEE MEMBER MULÉ: Aye.

10 COMMITTEE SECRETARY GARNER: Brown?

11 CHAIRPERSON BROWN: Aye.

12 Okay. Item D was pulled. So we will move to
13 Committee Item E.

14 We'll move that to consent.

15 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

16 Committee Item E, Board Item 20, is Consideration
17 of Clarification of Project Eligibility and Evaluation
18 Process for the Tire-Derived Product Grant Program.

19 Criteria for this grant program were approved by
20 the Board in July. These criteria included a tiered
21 approach to reflect a grant priority for those who had not
22 received a grant in recent years, and depending on the
23 tier, caps of five dollars or seven dollars of grant
24 support per PTE diverted.

25 Board reconsideration of these criteria is not

1 being proposed by staff and is not before the Board for
2 deliberation today. What staff is requesting the Board to
3 do is to clarify intent relative to one issue. That is
4 whether to allow applicants to receive grant consideration
5 for projects where material costs exceed the cap amounts
6 on the condition that the applicant be willing to assume
7 the costs which exceed those amounts.

8 The issue was not raised explicitly in the staff
9 or stakeholder discussions before the Board in July. The
10 issue was raised during the question and answer period
11 during the grant application process. And after due
12 consideration, staff determined the issue was best brought
13 back before the Board for clarification as noted in the
14 agenda title.

15 Staff have proposed alternatives for Board
16 consideration which span the gamut between no allowance
17 for grant eligibility, grant applicant buy-in or buy down,
18 to partial allowance, to complete allowance. Staff is now
19 persuaded that some level of buy-in is desirable, and that
20 is reflected in our recommended alternative which staff
21 will share with you shortly.

22 There is one additional point though that I would
23 like to emphasize. I understand that one of the Board's
24 primary objectives with this grant program is to ensure
25 that it is cost effective with cost efficiency defined by

1 the diversion of the maximum number of tires with a
2 minimum of grant dollar support. It is staff's contention
3 that this objective will be served no matter which
4 alternative the Board chooses to approve today.

5 With that introduction, I'd now like to ask Mitch
6 Delmage to make the remainder of the staff presentation.

7 CHAIRPERSON BROWN: Thank you, Jim. Hi, Mitch.

8 (Thereupon an overhead presentation was
9 presented as follows.)

10 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Good
11 morning, Madam Chair, Committee and Board members. My
12 name is Mitch Delmage. I'm the Branch Manager for the
13 Tire Program.

14 By way of background, the Tire-Derived Product
15 Grant Program promotes recycled content products derived
16 from waste tires generated from California. This grant
17 program is a natural extension of two earlier grant
18 programs that focus primarily on sports surfacing and
19 playground type products.

20 In conjunction with the Tire-Derived Aggregate
21 Program and the RAC Program, the TDP Grant Program fully
22 expands our promotion of a wide range of products made
23 with California waste tires. The Board allocated for this
24 fiscal year 2.4 million, the maximum --

25 --o0o--

1 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: We had
2 the maximum of \$100,000 per project. The grants were
3 available to public entities in California.

4 Project costs as Jim mentioned, there's a cap of
5 seven, a two-tiered approach. And priority given to costs
6 that are five dollars or less. The project must divert at
7 least 2500 California tires.

8 The Board is not recommending reimbursement for
9 installation or equipment cost, only product cost. And
10 for each project where it's appropriate, we do require a
11 sign with the Board's name, logo, and slogan, and the
12 number of waste tires diverted by the particular project.

13 The question that was posed during our normal
14 question and answer period basically asked if a grantee
15 could pay any differential cost between the actual
16 tire-derived product material cost and the cap of either
17 five or seven dollars per PTE used, passenger tire
18 equivalent.

19 When we had the question, we couldn't quite
20 resolve it based on what was said during the Committee or
21 the Board or based on the criteria that we had approved.
22 So we decided at that point we needed to come back to the
23 Board to make sure that we're clear on the Board's
24 direction on this.

25 So we came up with three options for the Board to

1 consider today. The first being that an applicant could
2 qualify for the first tier, the priority tier, of five
3 dollars or less only if the actual cost was five dollars
4 or less. And they could qualify for the second tier
5 between five dollars and one cent and seven dollars only
6 if the actual cost of the material was in that price
7 range.

8 The second option would allow for the applicant
9 to offer to pay the difference between whatever the
10 material cost was and the five dollar priority cap or
11 whatever the material cost was and the seven dollar. So
12 that kind of gives you the widest range of opportunity to
13 resolve this issue.

14 The third was kind of a combination of the two
15 where the applicant could only qualify for the priority
16 tier if the actual cost of the material was five dollars
17 or less. But they could offer to pay the differential
18 between whatever the actual cost was if it was above seven
19 and between 5.01 and seven.

20 So those are the three options before you. Staff
21 does recommend Option 3 as being a combination of the two
22 previous options. But I leave it up to you.

23 CHAIRPERSON BROWN: Thank you, Mitch, for that
24 presentation.

25 Do we have any questions from Board members?

1 BOARD MEMBER WIGGINS: Yeah.

2 CHAIRPERSON BROWN: Pat.

3 BOARD MEMBER WIGGINS: My question is what slogan
4 is displayed?

5 CHAIRPERSON BROWN: You took Rosalie's and my
6 question. We were going to have that one rolled down.

7 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Right up
8 there on the right, Zero Waste California.

9 CHAIRPERSON BROWN: That's our slogan.

10 BOARD MEMBER WIGGINS: Okay.

11 COMMITTEE MEMBER MULÉ: We had the same question.

12 CHAIRPERSON BROWN: Zero waste, you make it
13 happen. Sorry.

14 Rosalie, did you have any other questions?

15 COMMITTEE MEMBER MULÉ: No questions.

16 I think I'm ready to support Option 2 as opposed
17 to Option 3. I think we really need to get as many of
18 these tires diverted from the landfill. And I feel that
19 if an applicant is willing to pay down the cost for a
20 certain use, I think they should be allowed to do so. So
21 I just wanted to put that on the record.

22 CHAIRPERSON BROWN: I agree. It helps drive the
23 market to create a self-sustaining market for these
24 products, and that's I think what our ultimate goal is.

25 We do have one speaker, Lindsay Smith with Rubber

1 Sidewalks, Inc.

2 MR. SMITH: Thank you.

3 CHAIRPERSON BROWN: Welcome.

4 MS. SMITH: Board members, I'm Lindsay Smith,
5 President and owner of Rubber Sidewalks. I'm the maker of
6 two products, one that's under five dollars, one that's
7 under seven dollars. And I believe my job this morning
8 may be significantly easier based on the feedback you've
9 just given us.

10 I first above all want to express a profound
11 gratitude to the State for these grant programs. What
12 this did for my company last year and what I hope it will
13 continue to do was absolutely revolutionary for my
14 company. Because all of the cities that were a little bit
15 on the fence that wanted to try the product but they knew
16 there was more expenses because it wasn't concrete and so
17 forth and they all made the leap last year, and they're
18 ready to make the leap this year -- and in fact, some of
19 last year's grantees have already bought the product. I'm
20 talking about truckloads. I'm so ecstatic we're doing the
21 grant program again. And I thank you for that.

22 And I want to thank the Board for giving us the
23 opportunity to address the clarification of this issue,
24 because all of our customers were very confused. And we
25 realize it was just we were going to continue to have

1 problems if we didn't stop and look at it. So I really
2 thank the Board and the staff for going in there and doing
3 this.

4 I'm in complete agreement with you that we must
5 promote the support -- we must support products no matter
6 what they cost in terms of actual tires, actual cost of
7 tire diverted. And when this first came up, I prepared a
8 chart looking at all the products, the typical products
9 that are included in these grant programs. And the fact
10 was that four of them cost less than five dollars per tire
11 diverted. Two of them cost between five dollars and seven
12 dollars. And eight of them -- I took 14 standard
13 products, and eight of them cost seven dollars. And the
14 average of all the tire-derived products that are being
15 sold came to \$8.90 cents.

16 We want our customers to find the balance. We
17 don't want them to be dependant upon the grant. We want
18 the grant to be a contribution. We want them to begin to
19 develop the internal infrastructure to bring in money for
20 these products and make that a part of their reality. And
21 we found that that happened last year and from two years
22 before with cities where they started with a small amount
23 and they began buying more because now they had learned
24 how to ask their own budgets and their own systems to get
25 more money. And that's how we feel that it will work the

1 best. So thank you very much.

2 COMMITTEE MEMBER MULÉ: Lindsay, could you share
3 with the audience here and with the Board how many cities
4 you're now providing your product to. I've been reading a
5 lot of articles on the success of your products. And I
6 want to thank you for, you know, doing what you're doing
7 because you're helping number one to create the markets,
8 but more importantly divert those tires from the landfill
9 to beneficial use. So if you could just briefly share
10 with the group what --

11 MS. SMITH: Well, at this time, California tire
12 rubber is in more than 60 cities throughout the
13 United States. So we are selling product in Florida,
14 Texas, New York, Washington, D.C., lots in Washington
15 state, Oregon. And all of it is coming from California.
16 And we will continue to be sending product out from
17 California because it's faster and it's easier. And we're
18 set up to do that. So California rubber is getting all
19 over the country.

20 And also what's interesting is that even though
21 every state has their own waste tires, they really
22 appreciate the fact that California has the biggest waste
23 tire problem in the country. And they're really cheering
24 us on and very proud to have California rubber. So you
25 know, that's a good thing, too.

1 CHAIRPERSON BROWN: Great. Thank you. I
2 appreciate you being here today and sharing your success
3 story with us and the Board's contribution to that. So I
4 appreciate it. Thank you.

5 We do have one other speaker this morning,
6 Michael Blumenthal.

7 MR. BLUMENTHAL: Thank you, Madam Chair, members
8 of the Board. My name is Michael Blumenthal. I represent
9 the Rubber Manufacturers' Association. RMA represents the
10 seven U.S. based tire manufacturers.

11 We have been very large supporters of
12 tire-derived products from day one. We support the idea
13 of getting the products. We understand -- we know that
14 products containing recyclable rubber have a good number
15 of advantages to them: Safety, performance, longevity,
16 what have you. And certainly we have been out there
17 supporting this.

18 This is -- my comments are probably nothing new,
19 but I have two basic fundamental points.

20 Number one -- and I'm sure Mitch is going to say
21 this is in it. But number one, we had talked -- the idea
22 had been that at some point in time if grants ever do end,
23 what kind of impact is it going to have on the market.
24 What does the Board get back from these grants, aside from
25 having a sign out there with the brand-new logo. That's

1 very nice. But what we know is there's still questions
2 out there about all of these products. What about
3 leachate? What about latex? These are urban myths.
4 Those are non-factual issues. Those are concerns. These
5 are someone's worst fears. But these things are never
6 realized.

7 As Lindsay pointed out, there was a series of
8 rubber sidewalks placed in Washington, D.C. Very proud of
9 that. Sidewalks in D.C. range from bad to awful. And
10 there was a big write-up in the local paper about it. We
11 had good press, lots of ink on this. The next day the
12 what if came out. Doesn't this contain latex? Our phones
13 lit up about the latex issue.

14 We have things on latex. We understand what the
15 latex thing is there. It's an issue that does get mixed
16 up, and there's a lot of difference between one product
17 and a tire with latex is totally different. But they've
18 heard the term latex. They know about the allergy. They
19 know about the problems they've had with latex products
20 and they associate this with tires.

21 We spent most of that day and the following week
22 dealing with the whole question on latex. We have
23 information. But once again, since we are a trade
24 association, represent the tire manufacturers, our
25 information often is discounted or looked upon as, well,

1 of course you're going to say there's nothing wrong with
2 it.

3 The point is we're trying to get information from
4 a third party, not from a manufacturer, but from an agency
5 who has worked with these products. Getting information
6 out about the longevity, the safety, the lack of
7 environmental concerns. The fact that latex is not an
8 issue. Leachate is not an issue. Having them come from
9 reports from actual field experience from the grants that
10 you folks have handed out would probably be the single
11 best marketing tool you could possibly have because it
12 goes beyond the borders of California and it answers the
13 questions that are still holding back other people from
14 buying this product. It makes the sale job easier for
15 those trying to move these products in the market. It
16 opens up doors that remain closed and which hinder not
17 just the markets here in California but across the
18 country.

19 So some reports need to come back. There needs
20 to be some looking into the health aspect of these things
21 to address the concerns that are out there that are not
22 real but need to be addressed. Because if they're not
23 addressed, they're not going to go away.

24 Number two, cost factors. In the marketplace,
25 cost rules. What we know is that people are very cost

1 conscious. I can make a strong argument why playground
2 material from tires is the best thing that you can put
3 underneath a swing or any kind of playground apparatus.
4 But when you're dealing with someone with an agency or a
5 school that doesn't have a large budget, they buy things
6 on price, not on the performance of that product. Price
7 is terribly important. Here you have the luxury of having
8 a very nice budget and you have a grant program and you
9 can make things happen. But once you get past a grant
10 program, prices do come into play.

11 We do try to point out there are other non-price
12 issues dealing with these rubber products. But when you
13 get down to the bottom line, cost really makes a very
14 large difference.

15 I once had an opportunity to buy a nice little
16 plastic hose or a very high grade rubber hose. And one
17 was 20 feet for 50 bucks and one was 50 feet for 20 bucks.
18 And I bet you I can tell you which one I bought and you
19 can think which one I bought too.

20 People are going to buy on price. Price is very,
21 very important. Price differential, to get something
22 introduced into the marketplace probably is a necessary
23 tool. But once it's in the marketplace, the next step is
24 to reduce the obstacles that are out there. These things
25 need to compete on an open market. They need to be done

1 on price and on their benefits. And having reports on the
2 benefits will go an awfully long way to offset some of
3 these price factors.

4 When you get out into other parts of this
5 country, most states do not have grant programs. It will
6 work fine here. But beyond the borders, it's going to be
7 a very difficult sell. So price obviously is a very
8 important factor with that. I thank you for your time and
9 attention.

10 CHAIRPERSON BROWN: Thank you, Michael. We do
11 have one more speaker.

12 MR. BLUMENTHAL: There's a question here.

13 BOARD MEMBER WIGGINS: You didn't mention
14 rubberized asphalt.

15 MR. BLUMENTHAL: Rubber modified asphalt has been
16 used in California for many years. It's a well known
17 product. It adds both performance and enhanced
18 characteristics to the roads in which it is applied.

19 Our comments on RAC here in California is if you
20 took all the grants away, 80 to 90 percent of the people
21 that use RAC, the communities that use RAC will probably
22 continue to use RAC. The grants that RAC is getting makes
23 it that much easier for them to use it. It's nice icing
24 on the cake. But we believe that here in California, most
25 of the communities that are currently using RAC know its

1 benefits, would probably buy it without the grants.

2 Now you have all these grants. By law, you have
3 to spend the money. We understand that. And for
4 first-time users, we think that's a very appropriate way
5 to go. But places that have been using it for years and
6 see a cost benefit out of it, I mean, that money could be
7 used for other projects for other materials that don't
8 have as good a track record as RAC has here in California.

9 The other thing is that once you get beyond
10 California, the argument -- and I've said this before --
11 is that when people look at the amount of RAC being used
12 in California and they look at all the grants being given,
13 there's only one conclusion that is reached. RAC is used
14 because of the grants, not because it's an open market
15 material.

16 And we know that it can compete. We know it will
17 compete. It has competed here. But when you have the
18 facade of all of these grants being given, the impression
19 is these products only go out, are only bought because of
20 the grant program. And the one thing that we know is that
21 if a market is going to be self-sustaining, and that's the
22 ultimate goal, that grants need to be tailored to
23 resolving the issues, not to causing more questions.

24 Thank you.

25 CHAIRPERSON BROWN: Thank you, Michael.

1 As I mentioned, we do have one other speaker.

2 But Lindsay, I think you wanted a minute to respond to
3 some of the comments. That might be more timely.

4 MS. SMITH: Thank you very much. And I
5 appreciate the opportunity to get this thing about latex
6 on and very quickly. And I want to stay on the task here.

7 But Michael is correct about the mythology of
8 latex. I want to use the word process for all of us.
9 This is all about process. If we would look back to where
10 we were five years ago, because I started five, six years
11 ago and where we are now, if we put things in the context
12 of process. That article in the Washington Post which
13 ignited a bunch of latex concerned people all for some
14 reason -- what problem we have not experienced here on the
15 west coast but very much on the east coast was one of the
16 best exercises in demystifying these myths. Not only did
17 the RMA get all those calls and I talked to them and they
18 gave me some support materials which they were not willing
19 to go public with, because as Michael said, it would
20 appear to be biased. But they had some scientific
21 documentation.

22 I had at least 30 e-mails from people with
23 terrifying fears of latex. And I learned -- and I want
24 this to go on record -- there are two different kinds of
25 latex. There is wet latex and dry latex. And yes, tires

1 do have latex in them. It is dry latex.

2 Once the protein allergens in latex which causes
3 this terrible allergic reaction in many people, especially
4 people who are suffering from spina bifida, that is -- the
5 allergy in the protein is only suspended in water. And
6 therefore, wet latex products such as poured gloves and
7 balloons and rubber bands which are made with wet latex
8 indeed are a fearful thing.

9 Tires have latex. It's dry latex. The water is
10 taken out of the latex before it goes into the tires.
11 That does not carry the protein allergen which is the
12 latex fear factor. And I think it's important for all of
13 us to understand this. Because when people say there's
14 latex in tires, we will able to respond to all of these
15 inquiries. We talked to many medical people. We were
16 able to educate them. They wrote us back and said thank
17 you. This is the first time this issue has been clear.
18 We will send this to everybody in this medical unit we're
19 at, and we're going to start educating people about the
20 real -- what is a tire.

21 So this to me is the whole point, that we have to
22 go through this. And the only way to demyth the myths is
23 to go through this process.

24 And I also wanted to talk about the process with
25 price. Everyone knows that right now recycled rubber

1 products, recycled products are more expensive. They are.
2 They are growing to become a commodity. It's a commodity
3 that will be desired whether it's more expensive or not,
4 because its long-term properties, its long-term values
5 will be recognized, its safety features, all the features
6 of the rubber products. It will no longer be we are doing
7 a favor recycling tires. It will be in demand.

8 And at the same time, we get better at it. We
9 get better systems. We've developed better equipment. We
10 learn how to make the product for less. We have not
11 raised our price in a year and a half because we have
12 gotten that much better. And the higher volume we make,
13 the lower we can keep our price. So prices are going to
14 come down. When that mark hits, when the day hits --
15 let's say it's five years away, maybe it's less. When
16 that hits, when the demand and price lowering, grants will
17 become irrelevant. But until that time, this is the way
18 to get there. Thank you.

19 CHAIRPERSON BROWN: Thank you. Lindsay, do you
20 have satisfied customers that provide information on their
21 customer satisfaction that you use to market your product?

22 MS. SMITH: Sure. Many, many testimonials.
23 Absolutely.

24 CHAIRPERSON BROWN: And we have the same
25 information. That's the kind of information we need to

1 get out about people using the product, it's
2 effectiveness, costly, long-term cost effectiveness. And
3 we just need to do a better job of getting that
4 information out in a more concise, understandable way.

5 MS. SMITH: And the customer who hears the
6 testimonial from a colleague in the same kind is -- it's
7 an immediate sell. That's all it takes for them to get
8 that assurance.

9 CHAIRPERSON BROWN: Thank you.

10 Our next speaker, Beverly McCullough from the
11 City of Modesto. Welcome to Sacramento.

12 MS. MC CULLOUGH: Thank you. It was a nice drive
13 this morning. No traffic. That was a joy. Thank you for
14 hearing me this morning.

15 We're interested in this product and this whole
16 issue obviously. The City of Modesto has tried very hard
17 to be green. And we are using recycled rubber product in
18 various sources over the years, especially the playground
19 surfacing has been one. Rubberized asphalt has been
20 another. I was getting ready to submit my grant
21 application for this particular product, just about ready
22 to hit the send button when I got a call saying, hold it,
23 stop. I was kind of dismayed. So I'm here today and glad
24 to hear some of your comments sounding positive in the
25 direction I was hoping you were going to go.

1 But I just wanted to point out, grants are very
2 important to us as a city. And I have a feeling I speak
3 for most small cities -- well, we're not small, but most
4 other cities who know budget crunches are difficult for us
5 to get through.

6 And when we purchase items for our community, no
7 matter what kind of project we're working on, we have a
8 real hard push internally to say go with the lowest cost
9 no matter what it is. Go with the lowest cost. Well,
10 rubberized products are not lowest cost for any standard.
11 They are expensive. But we do try really hard to purchase
12 them.

13 Before I came into the meeting, I was talking
14 with Jana Naron and with Lindsay, and I was actually
15 excited to hear -- we have worked for the last several
16 years with Golden Byproducts, and we've collected
17 somewhere around 40,000 waste tires in our community
18 whether illegally dumped or through amnesty programs.
19 We've been very active in that.

20 And I just learned this morning that I know that
21 Jana crumb rubbers our products when they're usable in
22 that respect. But then she turns around and sells them to
23 Lindsay as feed stock for her sidewalks. Our grant
24 application will be to buy material for sidewalks from
25 Lindsay, is our plan.

1 And so I'm excited hopefully this grant will go
2 through, and we'll actually get the grant. And I can
3 promote this in my community saying these came from your
4 very tires that you threw out or recycled or however
5 that's going to work. Hopefully they were not illegally
6 dumped in our alleys. But that's a critical thing for me
7 to get to tell my community. And I do that as often as I
8 can. But if we can put sidewalks in, that's another way I
9 can tell my community you guys are doing a good job.

10 So I'm going to push. Frankly, without these
11 grants, we wouldn't get to do these kinds of projects.
12 Fibar is a whole lot cheaper than rubber surfacing for
13 playgrounds. And that would be the way we would go. So
14 without these grants, that would happen.

15 Thank you very much. You've been very generous
16 to our community. So thank you.

17 CHAIRPERSON BROWN: Thank you very much for being
18 here.

19 I have a question totally off the subject. Do
20 our rubberized products count during EPP for EPP
21 purchasing? If a local jurisdiction has an environmental
22 preferable purchasing policy, do they get credit for
23 rubberized sidewalks and used tire products that use waste
24 tires?

25 EXECUTIVE DIRECTOR LEARY: Madam Chair, Mark

1 Leary, for the record.

2 Yes. Absolutely, yes. But not that that's
3 measured to any great degree. But I think if any of the
4 Board members were to ask a jurisdiction as they came
5 forward to the Board defending their 939 compliance are
6 you embracing environmentally preferable purchasing, that
7 would be an excellent example of where they would be,
8 especially if they can make fairly large purchases for
9 rubber sidewalks and stuff and commit to very large
10 amounts of money being devoted to EPP.

11 CHAIRPERSON BROWN: And I wasn't thinking as much
12 in their 939 compliance.

13 EXECUTIVE DIRECTOR LEARY: That's when it usually
14 comes up.

15 CHAIRPERSON BROWN: But in your discussions of
16 the City of Modesto and justification of purchasing these
17 kind of products, if you had an environmental preferable
18 purchasing policy before the City Council, then this would
19 be a justification for looking at, you know, recycling of
20 waste tires as part of your EPP policy, and maybe the cost
21 effectiveness would override. Anyway, just a thought.
22 See, I told you I go on tangents.

23 Do we have any other questions? Okay.

24 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
25 move Resolution 2006-192. And I guess we need to revise

1 it to reflect the Committee would like to go with Option 2
2 on page 20-2 rather than the option that is listed in the
3 Resolution.

4 CHAIRPERSON BROWN: Okay. I second that. And
5 we'll request that a new revised Resolution be distributed
6 to all Board offices this afternoon well in advance of our
7 Board meeting.

8 It's been moved by Member Mulé and seconded by me
9 for Resolution 2006-192 Revised.

10 Kristen, can you call the roll?

11 COMMITTEE SECRETARY GARNER: Mulé?

12 COMMITTEE MEMBER MULÉ: Aye.

13 COMMITTEE SECRETARY GARNER: Brown?

14 CHAIRPERSON BROWN: Aye.

15 Great. Now we will move to Item 21.

16 DEPUTY DIRECTOR LEE: Madam Chair, is that
17 proposed for consent?

18 CHAIRPERSON BROWN: Since it's a Resolution
19 Revised and it hasn't been distributed, can we still put
20 it on consent if people have it in enough time to review
21 it?

22 EXECUTIVE DIRECTOR LEARY: Absolutely. And then
23 if a member is uncomfortable with it, certainly can pull
24 it.

25 CHAIRPERSON BROWN: Let's put that on consent as

1 well.

2 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

3 Committee Item F, Board Item 21, is Consideration
4 of Allocation of Additional Appropriation for Specific
5 Tire Grant Programs.

6 This item is to request the Board's consideration
7 of an allocation of funds received through a fiscal year
8 2006-07 budget change proposal. The BCP allocated \$5
9 million for local assistance grants to augment the RAC
10 and/or the tire-derived aggregate programs.

11 Staff is not recommending any of the allocation
12 for the TDA program since we believe the existing
13 Five-Year Plan authorized fiscal year 06-07 funding is
14 adequate for anticipated needs. Staff is instead
15 proposing the entire allocation be utilized for various
16 RAC program efforts.

17 I'll now ask Nate Gauff to make the remainder of
18 the staff presentation and provide additional details on
19 staff's proposal.

20 CHAIRPERSON BROWN: Thank you. Hi, Nate.

21 MR. GAUFF: Good morning, Madam Chair and
22 Committee members. Jim's basically read the whole item to
23 you.

24 The proposal is to allocate \$4 million of the
25 five million to the Targeted Rubberized Asphalt Incentive

1 Grant Program and one million to the RAC Use Grant
2 Program, which is similar -- it's more the rebate style
3 grants. So four million for targeted, one million for RAC
4 use. Are there any questions?

5 CHAIRPERSON BROWN: Thank you, Nate. No
6 questions.

7 Cheryl.

8 BOARD MEMBER PEACE: On the BCP, it says 06-07,
9 the extra \$5 million we're getting is just for this year
10 or does the budget proposal change every year -- every
11 year we'll get this additional \$5 million? Is this just a
12 one time?

13 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: The way
14 we have it set up in the title is just for this fiscal
15 year.

16 CHAIRPERSON BROWN: She's asking about the BCP.

17 DEPUTY DIRECTOR LEE: The BCP is for two years.

18 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: There's
19 \$5 million this fiscal year and five million next fiscal
20 year. But we'll bring back an item next fiscal year to
21 divvy it up.

22 DEPUTY DIRECTOR LEE: Exactly. There may be
23 things -- we're proposing a four million, one million
24 dollar split this year. We want to get into it, see how
25 things go and provide the Board the opportunity to

1 reconsider that allocation next year.

2 BOARD MEMBER PEACE: This will last for
3 two years. And if we wanted to try to get \$5 million,
4 then we'd have to put another budget change --

5 DEPUTY DIRECTOR LEE: Get approved another BCP.

6 BOARD MEMBER PEACE: Okay.

7 CHAIRPERSON BROWN: Thank you.

8 Any other questions?

9 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
10 move Resolution 2006-189.

11 CHAIRPERSON BROWN: Second.

12 It's been moved by Member Mulé and seconded.

13 Kristen, can you call the roll?

14 COMMITTEE SECRETARY GARNER: Mulé?

15 COMMITTEE MEMBER MULÉ: Aye.

16 COMMITTEE SECRETARY GARNER: Brown?

17 CHAIRPERSON BROWN: Aye.

18 We'll move to Committee Item G, Board Agenda Item
19 22.

20 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

21 Committee Item G, Board Item 22, Consideration of
22 the Eligibility Criteria Priority Categories and
23 Evaluation Process for the Rubberized Asphalt Concrete
24 Used Grant Program.

25 RAC programs continue to be one of the lynch pins

1 in the Board's efforts to increase waste tire diversion
2 and recycling as it represents one of the most cost
3 effective means available for diverting significant
4 numbers of waste tires. The proposed grant program
5 represents staff's attempt to build and improve upon the
6 foundation of support for RAC efforts provided by the
7 Kuehl bill.

8 I'll now ask Diane Nordstrom to make the
9 remainder of the staff presentation.

10 (Thereupon an overhead presentation was
11 presented as follows.)

12 MS. NORDSTROM: Good morning, Madam Chair and
13 members of the Special Waste Committee and Board. I'm
14 Diane Nordstrom from the Special Waste Division.

15 --o0o--

16 MS. NORDSTROM: With the recent passage of SB
17 369, the Board has been authorized to continue to offer
18 grants to local governments to use RAC in Public Works
19 projects.

20 Board staff is recommending that the application
21 and evaluation process remain the same as in prior years
22 under the Kuehl RAC Grant Program. Board staff is
23 proposing, however, that the grant amount be increased to
24 four dollars per ton of RAC used to meet increasing costs
25 of materials and transportation.

1 --o0o--

2 MS. NORDSTROM: The Five-Year Plan has allocated
3 \$1.5 million for this program, and the Board just approved
4 an additional allocation of \$1 million from funding
5 authorized by the fiscal year 2006/2007 budget change
6 proposal number two.

7 As in prior years, staff is proposing to not use
8 a north/south funding split and that ten percent of the
9 allocation be set aside for rural jurisdictions.

10 --o0o--

11 MS. NORDSTROM: The legislation requires a
12 minimum of 1250 tons of RAC to be used for each project.
13 So the minimum grant award would be \$5,000. Staff is
14 proposing the maximum grant award limit be 250,000 per
15 applicant unless after the projects are funded in which
16 case a grantee may be awarded an amount exceeding
17 \$250,000.

18 --o0o--

19 MS. NORDSTROM: Eligible applicants would be the
20 same as in prior grant cycles with grants being awarded to
21 local governments. To meet the requirements of the
22 legislation, eligible projects must have a minimum of 1250
23 tons of RAC per project, use at least 20 pounds of rubber
24 per ton of RAC, and use 100 percent California waste
25 tires.

1 --o0o--

2 MS. NORDSTROM: Applications will be scored using
3 the same priority categories that were used for the Kuehl
4 Grant Program. Those projects that are proposing to use
5 the highest amount of RAC will receive the highest rank.
6 In the event of a tie, the project that is proposing to
7 use the greatest amount of rubber per ton will get a
8 higher rank. In the event of a second tie breaker, if
9 it's needed, those projects that have the earliest start
10 date would receive a higher rank.

11 The evaluation process would remain the same as
12 in prior grant cycles with the grant administration unit
13 reviewing the applications for completeness. Using the
14 priority categories, you would then rank each project
15 accordingly. Approval of this item would also direct
16 staff to prepare the Notice of Funding Availability for
17 this fiscal year which would be distributed to interested
18 local governments.

19 This concludes my presentation.

20 CHAIRPERSON BROWN: Thank you.

21 Do we have any questions?

22 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: Madam
23 Chair, I would like to offer one revision.

24 CHAIRPERSON BROWN: Sorry. I'm not going to let
25 you do that. We're ready, Mitch.

1 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: I just
2 don't want to put you in a bind.

3 We originally had intended to offer a little more
4 flexibility in case funds were available at the end of the
5 fiscal year to go over the \$250 limit on projects --
6 250,000. I'm sorry. Unfortunately, when we reviewed the
7 statute and talked with legal counsel, we determined that
8 we will have to stay within that \$250,000 cap.

9 CHAIRPERSON BROWN: Per statute requirements.

10 TIRE MANAGEMENT BRANCH MANAGER DELMAGE: That's
11 correct.

12 CHAIRPERSON BROWN: That you can do. Thank you.

13 Any further questions? Okay.

14 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
15 move Resolution 2006-190.

16 CHAIRPERSON BROWN: Second.

17 It's been moved by Member Mulé and seconded.

18 Kristen, can you call the roll?

19 COMMITTEE SECRETARY GARNER: Mulé?

20 COMMITTEE MEMBER MULÉ: Aye.

21 COMMITTEE SECRETARY GARNER: Brown?

22 CHAIRPERSON BROWN: Aye.

23 Can we move that to consent? Does it need to be
24 a Revised Resolution?

25 MS. NORDSTROM: Yes.

1 CHAIRPERSON BROWN: The Revised Resolution. Can
2 you recall the roll for 2006-190 Revised.

3 COMMITTEE SECRETARY GARNER: Mulé?

4 COMMITTEE MEMBER MULÉ: Aye.

5 COMMITTEE SECRETARY GARNER: Brown?

6 CHAIRPERSON BROWN: Aye.

7 It will be revised because of the change of the
8 \$250,000 cap. So since this is not an allocation item,
9 does it just go to the regular consent agenda?

10 Okay. Committee Item H.

11 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

12 Committee Item H, Board Item 23, is Consideration
13 of Grant Awards for the Targeted Rubberized Asphalt
14 Concrete Incentive Grant Program.

15 With the Board's approval of one of the previous
16 agenda items, there are now funds available to continue
17 the grant program for this month and the rest of the year.

18 This program has been well received. It shows
19 great promise in fulfilling staff's expectations to
20 introduce this product to a much wider audience of
21 potential local jurisdiction users and thereby increase
22 market development opportunities and waste tire recycling.

23 I'll now ask Elena Yates to make the remainder of
24 the staff presentation and to provide details on the
25 project proposed for funding this month.

1 MS. YATES: Good morning, Madam Chair, Committee
2 members, and Board members. I'm Elena Yates with the
3 Special Waste Division. Today I'll present staff's
4 recommendation for this month's award for the Targeted
5 Rubberized Asphalt Concrete Incentive Grant Program.

6 Staff received one eligible applicant. The
7 applicant is State Route 4 Bypass Authority. Funding
8 recommendation is \$175,000.

9 Also, I need to revise the Resolution to add an
10 additional \$4 million.

11 Staff recommends the Board approve the proposed
12 award and adopt Resolution 2006-191 as revised.

13 This concludes my presentation.

14 CHAIRPERSON BROWN: The 4,000 to reflect our
15 previous agenda item.

16 Do we have any questions from Board members?

17 COMMITTEE MEMBER MULÉ: If there are none, Madam
18 Chair, I'd like to move -- did you have a question?

19 BOARD MEMBER WIGGINS: Question is where is State
20 Route 4 Bypass Authority?

21 CHAIRPERSON BROWN: I asked that question. It's
22 actually --

23 MS. YATES: Contra Costa County, northern
24 California.

25 BOARD MEMBER WIGGINS: Thank you.

1 CHAIRPERSON BROWN: Elena, why don't you -- we
2 talked a little bit about, you know, we've had such a
3 large subscription to this program. And this month we're
4 only having one and what we might expect in the next few
5 months because of the application to RAC. Since we just
6 gave you \$4 million more but you're only asking for
7 175,000 this month, why is that, Nate?

8 MR. GAUFF: I'm not asking for any of it. It's
9 the local governments that ask for the money.

10 I think one thing we're seeing there is a
11 seasonal slow down. This time of year is typically the
12 end of the paving season, especially in northern
13 California. There will be work in southern California
14 throughout the winter.

15 However, you know, we've done a pretty good job.
16 We've put out to date with this grant I think it's 37
17 grants to first time users or limited users. By my
18 estimation, over the last three years with Kuehl, there's
19 probably been in the neighborhood of about 70
20 jurisdictions that have participated in the Kuehl that
21 have received grants. That's 100 jurisdictions that are
22 using RAC.

23 You know there's a number of jurisdictions --
24 smaller jurisdictions especially that are probably never
25 going to be candidates to use RAC because of the location,

1 the size, their budgets, those types of things. So we're
2 blanketing the state. And we continue to go out and work
3 with local governments to try to get them to use it. But
4 what we're going to see eventually is there's going to be
5 fewer and fewer candidates for this program.

6 Now how are we going to get the four million out?
7 I have some ideas, and I will be bringing an item before
8 the Board next month to revise the criteria for this
9 program which I think will allow more jurisdictions to
10 participate in the program. When I say more, I'm saying
11 the ones that are going to be harder to get involved just
12 because of their location and size and things like that
13 we're looking at --

14 CHAIRPERSON BROWN: Rural jurisdictions.

15 MR. GAUFF: Yes. We're looking at some
16 cooperative purchasing changes we want to make and some
17 other things with the limited use of users that may have
18 used it that missed our window for the program.

19 Anyway, I'll be bringing it before the Board next
20 month. I think that will open up probably in the
21 neighborhood of \$2 million of use by the end of the year.
22 And then as the program picks up in the spring once again
23 like we saw last year, I anticipate we'll be able to get
24 the four million out.

25 CHAIRPERSON BROWN: Okay. Great. Pat, you look

1 like you have a question.

2 BOARD MEMBER WIGGINS: I have two questions. One
3 is why are there going to be fewer applicants for this
4 program? And then the other is where are we with Caltrans
5 with RAC?

6 MR. GAUFF: I'll answer the second one first.
7 Caltrans is to my estimation doing a very good job right
8 now with using RAC. That may be in part due to the
9 legislation with Assembly Bill 338 by Member Lloyd Levine.
10 It may be due to the fact they're getting more federal
11 money. The State budget seems to be in better shape. So
12 their transportation dollars are going to where they're
13 supposed to go versus going to other places. There's a
14 number of reasons, but they're doing a very good job by
15 all the indications I have of using more RAC statewide in
16 their projects.

17 BOARD MEMBER WIGGINS: Well, they should. I
18 drove around Phoenix and, you know, they're the leader in
19 using RAC. And the roads were beautiful.

20 MR. GAUFF: I think there's even some talk here
21 of doing a similar quiet pavement type program here in
22 California with Caltrans. So they're moving ahead.
23 And --

24 BOARD MEMBER WIGGINS: Not fast enough.

25 MR. GAUFF: I guess that's maybe not by industry

1 standpoint. But I think by our standpoint they're
2 certainly doing a much better job than they have in the
3 past, in the more recent past.

4 BOARD MEMBER WIGGINS: They've done a terrible
5 job in the past.

6 MR. GAUFF: As far as the question about the
7 dwindling candidates for the program, basically this
8 program, the targeted program, is geared toward first-time
9 users or limited experience users. That is jurisdictions
10 that maybe only have one or two projects in their
11 jurisdiction. And typically once you've participated in
12 the targeted program, you're not going to get another
13 targeted grant. That's the way the program is set up.
14 It's basically to give the jurisdiction an exposure to the
15 material or re-exposure to the material if it's been a
16 significant time, gap, in using RAC. But basically it's a
17 one-time grant. You get one. You don't get another one
18 ever.

19 So that's why we're going to see, like I said,
20 right now I think we've given out 37 grants, awarded 37
21 grants. And you know, with the other jurisdictions like I
22 said having participated in the Kuehl Program over the
23 last three years and then that will participate in the RAC
24 Use Program that Diane mentioned the criteria for, you
25 know, those people are basically not eligible either

1 because they've been using the material.

2 So once again, we've in a sense hit a lot of the
3 low hanging fruit. And it's going to become more
4 difficult and more challenging -- I shouldn't say more
5 difficult. But more challenging to bring more
6 jurisdictions into the program.

7 BOARD MEMBER WIGGINS: Thanks.

8 DEPUTY DIRECTOR LEE: Ms. Wiggins, one additional
9 point of clarification. This particular grant program is
10 not open to Caltrans. It's for local jurisdictions only.
11 As Nate mentioned, you know, right now it's staff's
12 opinion the issue of their participation, the grant
13 program notwithstanding, but Caltrans already has
14 legislative mandates. We discussed the issue with their
15 director. They have a commitment to utilize more RAC. We
16 don't see any need for any additional grant support, their
17 way to ensure their participation in these efforts.

18 CHAIRPERSON BROWN: Jim or Nate, can you -- and
19 not in specificity. But as far as their mandate and what
20 they say -- of course, we haven't been able to firmly
21 substantiate any numbers. But my recollection was they
22 feel they're up in the 30 percent range for usage, and
23 their mandate does not even require them at that level
24 yet. So they're exceeding the mandate that the
25 Legislature has put upon them. And they did indicate an

1 interest in partnering with us to move forward on a
2 program for increasing their usage.

3 MR. GAUFF: I haven't seen the specific numbers.
4 But the numbers I've heard from industry and Caltrans has
5 been in the neighborhood of 30 percent for this year, this
6 fiscal year.

7 CHAIRPERSON BROWN: Do you know if the Levine
8 bill subscribed for them for this year?

9 MR. GAUFF: I believe it was 20 percent as a
10 start. It was 20 percent, and it ramps up in subsequent
11 years.

12 CHAIRPERSON BROWN: But it's not enough. I mean,
13 if we're promoting the use of RAC and our own State
14 government isn't using it 100 percent, it's never enough.
15 But you know, if there's an interest on their part, I
16 think in my personal opinion some of the way they're set
17 up makes it difficult for top down direction.

18 MR. GAUFF: Well, another avenue that Caltrans is
19 looking at that they just recently started to initiate,
20 they opened a Pavement Preservation Center up at Chico
21 State. And they are looking at using a number of
22 strategies that involve rubberized asphalt or rubber
23 containing materials. Not in the same sense that we've
24 allowed in the grant programs with the asphalt rubber
25 overlays, but they're looking at thinner strategies.

1 CHAIRPERSON BROWN: Please don't tell me you're
2 talking about rubberized slurry, before Scott kicks me.
3 Are you talking about rubberized slurry?

4 MR. GAUFF: That is one of the strategies. But
5 this is for pavement preservation. This is actually
6 looking at treating good pavements to prolong their life
7 span. And they're looking at several different materials
8 once again that contain rubber.

9 CHAIRPERSON BROWN: Oh, God. That's great.
10 Actually, I think we support any utilization of rubber in
11 any pavement preservation or RAC application.

12 MR. GAUFF: Well, they have hit up staff for
13 looking for donations for their center. So I think we may
14 be bringing something forward for the Five-Year Plan
15 consideration to the Board to work with the Pavement
16 Preservation Center.

17 CHAIRPERSON BROWN: I think as long as we get
18 third party substantiation about the use and long-term
19 longevity of the product that we can use as a third party
20 independent opinion and utilize that it would be
21 worthwhile to consider partnering with them on that kind
22 of a project. I think that's probably what Michael is
23 looking at is somebody completely independent that's going
24 to review the product and its long-term use and cost
25 effectiveness and --

1 MR. GAUFF: You know, once again, partnering with
2 Chico State was to -- part of the reason was to provide
3 that unbiased third party opinion just like they've worked
4 with U.C. Berkeley for a number of years and now U.C.
5 Davis to do some of their studies.

6 CHAIRPERSON BROWN: Right. That's great. Good
7 job.

8 Cheryl, do you have any questions?

9 BOARD MEMBER PEACE: I was under the impression
10 rubberized slurry was already used widely in the city of
11 Los Angeles and stuff. We wouldn't be considering giving
12 money for that stuff. Is that what you're talking about?

13 MR. GAUFF: The Pavement Preservation Center is
14 not looking at any one particular product. They're
15 looking at a range of products and combination of
16 products, combinations of products to effectively preserve
17 payments in different locality, different climate regions,
18 different traffic conditions, and things like that. So at
19 this point, I don't know what kind of support they're
20 going to offer other than more the investigation of the
21 materials and the strategies they would put out in the
22 field.

23 BOARD MEMBER PEACE: I don't have any objective
24 just supporting the Preservation Center. I think that
25 would be a good thing. But I just hope they never would

1 think that rubberized slurry should be something there
2 should be a grant program for. I'm under the impression
3 it's pretty widely used and they use it --

4 MR. GAUFF: We don't have one now, and we were
5 told we couldn't do one with the BCP money. So I don't
6 know what's going to happen. I think whatever we consider
7 would be part of the Five-Year Plan process.

8 DEPUTY DIRECTOR LEE: Ms. Peace, if I may, we are
9 in the process of investigating the rubberized slurry
10 issue per previously -- we've previously advised the Board
11 we're doing a literature review. We're doing some
12 laboratory work. We expect to come back to the Board
13 either as part of the reallocation process or five-year
14 planning process with some kind of proposal for, you know,
15 looking at that in more depth perhaps in doing a field
16 study.

17 CHAIRPERSON BROWN: But L.A. does use it quite a
18 bit. But are there other jurisdictions throughout the
19 state? Because if L.A. uses it, I don't know if that
20 means it's widely used throughout the state. We know L.A.
21 is a proponent of rubberized slurry.

22 MR. GAUFF: There are several. City of San Diego
23 uses the material. And there are other jurisdictions down
24 in southern California that have used rubberized slurry
25 and do use it on an ongoing basis, a yearly basis.

1 BOARD MEMBER PEACE: So it's already been
2 determined that it's cost effective. And I wouldn't think
3 we would need a grant program for that.

4 But when I read the Ogilvy reports, it says
5 they're trying to get a meeting with the City of Los
6 Angeles to get them on board with the RAC grant. Do you
7 have any idea how that's going?

8 MR. GAUFF: We've had some meetings with Ogilvy
9 to strategize how to approach L.A. being as large a
10 jurisdiction as it is. And I think we've come up with a
11 strategy. And they as far as I know are making inroads to
12 make the contacts and set up the meeting with the City of
13 Los Angeles people. Actually, I believe they're trying to
14 get the Mayor's office involved and some of the City
15 Council members as well as the Public Works people. And
16 that's taken a little time because they're very busy. And
17 obviously this is election year.

18 CHAIRPERSON BROWN: Thank you.

19 We went off a little askew from the specific
20 agenda item. But thank you for the discussion.

21 Do we have a motion?

22 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to
23 move Resolution 2006-191 as revised today.

24 CHAIRPERSON BROWN: Okay. Second.

25 And it will be revised again. Thank you.

1 It's been moved by Member Mulé and seconded.

2 Can you call the roll, Kristen?

3 COMMITTEE SECRETARY GARNER: Mulé?

4 COMMITTEE MEMBER MULÉ: Aye.

5 COMMITTEE SECRETARY GARNER: Brown?

6 CHAIRPERSON BROWN: Aye.

7 We'll put that on fiscal consent.

8 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

9 CHAIRPERSON BROWN: And do we have any other --
10 Mr. Leary.

11 EXECUTIVE DIRECTOR LEARY: Madam Chair, before we
12 close, just for the notice for the record, the Board will
13 be convening in closed session at 1:30. Just wanted to
14 make sure we notice that.

15 CHAIRPERSON BROWN: Okay. Thank you. I
16 appreciate that.

17 Do we have any other items, questions, business?
18 Okay. We'll adjourn this meeting. Thank you.

19 (Thereupon the California Integrated Waste
20 Management Board, Special Waste Committee
21 recessed at 11:26 a.m.)

22 (Thereupon the California Integrated Waste
23 Management Board, Special Waste Committee
24 entered into closed session at 1:30 p.m. and
25 adjourned at 4.30 p.m.)

1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing hearing was reported in shorthand by me,
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the
8 State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said hearing nor in any
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 18th day October, 2006.

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